

Former Aid Official Admits Taking Gifts

As U.S. Public Works Head In Laos, He Says He
Got \$25,000 Worth From Contractors

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Washington, March 23 (AP)—An American who used to handle United States foreign aid in Laos testified freely today to having taken \$25,000 in gifts from interested contractors.

There was also testimony about picking up a diamond ring with gambling winnings.

The testimony came from Edward T. McNamara, of Tampa, Fla., before a House Government Operations subcommittee. There was no public explanation of why he was so willing to say what he did.

McNamara, under subpoena as a witness, told of accepting stocks, loans in cash which were never repaid, and airline tickets from the American-owned Universal Construction Company, of Bangkok.

Fifth Spurned

Spurning the Fifth Amendment protection against incriminating oneself, McNamara answered committee questions willingly but in a low voice. Although advised of legal rights to obtain the service of a defense counsel, he sat alone in the witness chair.

McNamara testified he served as public works officer for the United States foreign-aid program in Laos, in Southeast Asia,

from October, 1955, until the start of 1958.

He said he certified to the performance of work on contracts amounting to \$603,205.40 held by Universal Construction Company. He also said there were no plans or specifications on which he could check the work performance of the company.

McNamara testified he recommended a \$1,068,500 highway contract given by the Laos Government to Universal and approved the transfer of another \$1,500,000 worth of construction equipment to the Laos Government.

Auditor Testifies

Earlier, John E. Dewilde, an auditor of the International Cooperation Administration, told the committee the ICA had ordered payments suspended, and no more contracts issued to Universal, October 24, 1958. ICA is the foreign aid agency.

"Have you established evidence of wrongdoing by any employee?" asked Representative Hardy, (D., Va.), committee chairman.

"I would say we have not established any actionable case against any employee," Dewilde answered.

"You discovered rats in the

barn," Hardy observed. "You have shaken them up a little bit but have not shaken them out."

Hardy said he would turn over McNamara's testimony to the Justice Department.

Contracts Probed

Another ICA auditor, Edward J. Burns, testified he conducted a 40-day investigation of contracts issued by the ICA office in Vientiane, capital of Laos.

Burns testified he received no cooperation in conducting an audit, that ICA records were incomplete, standards of making contracts were ignored and payments were frequently made to contractors without completion of the work.

McNamara told the congressmen he had bought a diamond ring as the result of poker winnings in the Pam-Pam Club frequented by ICA officials and Universal Construction Company officials.

He identified the owners of Universal Construction as Willis A. Bird and Gerald A. Peabody.